

NOTICE OF PENDING LEGISLATION

DATE

LEGISLATIVE BILL NO.

S 1644

SECTION I

GENERAL

TO :

FROM: LEGISLATIVE COUNSEL
OFFICE OF GENERAL COUNSEL

THE ATTACHED BILL, WHICH HAS BEEN INTRODUCED INTO CONGRESS, IS:

☐ SENT TO YOU FOR INFORMATION ONLY.☐ A BILL ON WHICH FAVORABLE CONGRESSIONAL ACTION ☐ IS ☐ IS NOT PREDICTED.☒ SENT FOR YOUR COMMENT AS TO WHETHER IT IS OF INTEREST TO CIA ACTIVITIES, AND WHETHER FURTHER ACTION BY THIS OFFICE IS NECESSARY OR DESIRED.

IT IS REQUESTED THAT COMMENTS CONCERNING THIS LEGISLATION BE FORWARDED, THROUGH APPROPRIATE CHANNELS, TO THIS OFFICE, BY _____

FOLD
HEREFOLD
HERE

SECTION II

COMMENTS (From Original Addressee)

TO : LEGISLATIVE COUNSEL
OFFICE OF GENERAL COUNSEL

FROM:

1 April 1955

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Mr. Kilgore of West Virginia

To prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes.

Distribution:

1- Dir of Logistics

12 April 55

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DATE OF COMMENTS

SIGNATURE AND TITLE

EXTENSION

Sanitized - Approved For Release : CIA-RDP59-00224A000100140006-4

84TH CONGRESS
1ST SESSION

S. 1644

IN THE SENATE OF THE UNITED STATES

APRIL 1 (legislative day, MARCH 10), 1955

Mr. KILGORE (for himself, Mr. BENDER, Mr. BUTLER, Mr. DWORSHAK, Mr. FULBRIGHT, Mr. HUMPHREY, Mr. JACKSON, Mr. LANGER, Mr. LEHMAN, Mr. McCLELLAN, Mr. McNAMARA, Mr. MAGNUSON, Mr. MORSE, Mr. SPARKMAN, Mr. YOUNG, Mr. KUCHEL, and Mr. NEUBERGER) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Federal Construction
4 Contract Act of 1955".

5 SEC. 2. (a) Each executive agency shall list in the bid-
6 ding or contract documents relating to each lump-sum con-
7 struction contract before accepting bids or proposals with
8 respect thereto, each major category of mechanical specialty
9 work involved in the performance thereof.

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1 (b) No executive agency shall award to, or enter into
2 a lump-sum construction contract with, any prime contractor
3 unless the name of the contractor who will perform each
4 major category of mechanical specialty work involved in the
5 performance thereof which may have been listed by the con-
6 tracting executive agency in the bidding or contract docu-
7 ments, has been specified by the prime contractor in the bid
8 or proposal upon which the contract is awarded or made.

9 (c) This section shall not prevent any prime contractor
10 from himself performing any major category of mechanical
11 specialty work under a lump-sum construction contract
12 awarded to or undertaken by him if the bid or proposal
13 referred to in subsection (b) of this section specifies that
14 the prime contractor will himself perform such category of
15 the mechanical specialty work.

16 (d) This section shall not be construed to forbid or
17 prevent any executive agency from awarding separate or
18 several prime or direct lump-sum construction contracts for
19 any one construction project.

20 (e) No prime contractor under a lump-sum construction
21 contract shall have any major category of mechanical spe-
22 cialty work involved in the performance of such construction
23 contract as listed by the contracting executive agency in the
24 bidding or contract documents, performed by any person
25 other than the person named for the performance of such

1 work in accordance with subsection (b) or (c) of this
2 section, except in accordance with the provisions of subsec-
3 tions (f) or (g) of this section.

4 (f) If a contractor named by the prime contractor
5 under a lump-sum construction contract in accordance with
6 subsection (b) of this section shall fail or refuse to perform
7 or complete the work to be performed by him in accordance
8 with the terms of his subbid or subcontract therefor, the
9 prime contractor may engage a substitute or different con-
10 tractor to perform such work: *Provided*, That he first
11 submits in writing to the contracting executive agency the
12 name of the substitute contractor.

13 (g) If, for any reason not specified in subsection (f),
14 a prime contractor under a lump-sum construction contract
15 prefers to have any major category of mechanical specialty
16 work on the project covered by such construction contract as
17 to which he has named a contractor under subsection (b)
18 hereof performed by a contractor other than the one named
19 in accordance with said subsection (b), the prime contractor
20 may engage such substitute contractor if (1) the prime con-
21 tractor submits to the contracting executive agency in writing
22 the name of the substitute contractor and such information as
23 the contracting executive agency may request as to any
24 change in cost to the prime contractor involved in the pro-
25 posed change in contractors; and (2) the use of such sub-

1 stitute contractor is approved in writing by the contracting
2 executive agency.

3 (h) This Act shall not apply to the following construc-
4 tion contracts:

5 (1) Contracts to be performed outside the continental
6 limits of the United States, which limits shall be deemed to
7 include Alaska.

8 (2) Contracts in which the aggregate bid or proposal
9 accepted by the contracting executive agency does not
10 exceed \$100,000.

11 (3) Any contract with specific reference to which the
12 head of the contracting executive agency determines that the
13 procedure prescribed herein would result in undue delay and
14 that the public exigency will not admit of such delay.

15 SEC. 3. For the purposes of this Act—

16 (1) The term “executive agency” means any executive
17 department or independent establishment in the executive
18 branch of the Government, including any wholly owned
19 Government corporation.

20 (2) The term “construction contract” means any con-
21 tract entered into by any executive agency for the erection,
22 repair, moving, remodeling, modification, or alteration of any
23 building or structure upon real estate intended for shelter or
24 comfort, or for production, processing or travel, including
25 without being limited to, buildings, bridges, tunnels and high-

1 ways, but not including aqueducts, reservoirs, dams, irriga-
2 tion and regional water supply projects, flood control
3 projects, water power development projects, jetties and
4 breakwaters or the buildings or structures incident to or
5 included in the contract for such excluded projects.

6 (3) The term "mechanical specialty work" in connec-
7 tion with a construction contract means all plumbing, heat-
8 ing, piping, air conditioning, refrigerating, ventilating, and
9 electrical work, including but not being limited to the fur-
10 nishing and installation of sewer, drainage and water supply
11 piping and plumbing, heating, piping, air conditioning, re-
12 frigerating, ventilating and electrical materials, equipment
13 and fixtures.

14 (4) The term "prime contractor" means a person hav-
15 ing a direct contractual relationship with an executive
16 agency for the performance of a construction contract.

17 (5) The term "person" means an individual, corpora-
18 tion, partnership, association, or other organized group of
19 persons. All references to contractor or prime contractor
20 shall include individuals, corporations, partnerships, associa-
21 tions, or other organized groups of persons who are con-
22 tractors or prime contractors.

23 (6) The terms "lump-sum contract" and "lump-sum
24 construction contract" mean a construction contract, whether
25 awarded after bid or negotiated, under which the price is

1 fixed or to be fixed by any method other than the cost-plus-
2 a-fixed-fee method.

3 SEC. 4. (a) This Act shall not be construed to create
4 any privity of contract between the United States Govern-
5 ment, or any agency thereof, and any contractor, contracting
6 with the prime contractor under any construction contract,
7 and shall not give any such contractor any cause of action
8 against the United States or any agency thereof arising out
9 of the failure of any person to comply with the provisions of
10 this Act.

11 (b) Neither acceptance by an executive agency of a
12 bid or statement of a prime contractor setting forth the name
13 of a proposed contractor or awarding a contract to such
14 prime contractor after such acceptance shall be construed to
15 be approval or acceptance by the executive agency of the
16 United States Government of any contractor named.

17 (c) Nothing in this Act contained shall be construed
18 to prevent any executive agency from requiring, in its dis-
19 cretion, approval or acceptance by it of contractors engaged
20 or to be engaged by any prime contractor on a construction
21 contract or from making any other requirements it deems
22 advisable in its discretion with respect to contractors engaged

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- 1 or to be engaged by prime contractors on any construction
- 2 contract or from requiring any information it deems advis-
- 3 able in its discretion as to the cost of performance of any
- 4 construction contract.

84TH CONGRESS
1ST SESSION

S. 1644

A BILL

To prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes.

By Mr. KILGORE, Mr. BENDER, Mr. BUTLER, Mr. DWORKIN, Mr. FULBRIGHT, Mr. HUMPHREY, Mr. JACKSON, Mr. LANGER, Mr. LEHMAN, Mr. MCCLELLAN, Mr. MCNALLY, Mr. MAGNUSON, Mr. MORSE, Mr. SPARKMAN, Mr. YOUNG, Mr. KUCHEL, and Mr. NEUBERGER

APRIL 1 (legislative day, March 10), 1955

Read twice and referred to the Committee on the Judiciary